

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

*In the Matter of*

**Senior Life Protection, Inc.,**

*Licensee.*

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No. D 03 - 74

**ORDER NOT TO ISSUE, RENEW, OR  
REINSTATE LICENSE, AND  
TO CEASE AND DESIST**

To: Senior Life Protection, Inc.  
c/o C. John Cannon  
13240 Northup Way, Suite 22B  
Bellevue, WA 98005

**IT IS ORDERED AND SENIOR LIFE PROTECTION, INC. IS HEREBY NOTIFIED** that the expired insurance license of Senior Life Protection, Inc. shall not be renewed or reinstated, and a new insurance license shall not be issued. This action is being taken pursuant to RCW 48.17.530(1)(b) and (h) and 2(a), RCW 48.17.540(2), the Stipulation and Consent Order dated October, 29, 2001, and to protect public safety or welfare as contemplated by RCW 48.17.540(3).

**IT IS FURTHER ORDERED THAT SENIOR LIFE PROTECTION, INC. SHALL CEASE AND DESIST** conducting the business of insurance.

**THIS IS ORDERED BASED UPON THE FOLLOWING:**

1. Neil T. Adkins, C. John Cannon, and Senior Estate Planning Group, Inc. ("SEPG") entered into a **STIPULATION AND CONSENT ORDER** ("Stipulation"), attached hereto as Exhibit A, on October 29, 2001, with the Office of the Insurance Commissioner. This Stipulation included agreed Findings of Fact and Conclusions of Law and incorporated a Restitution Trust Agreement (the "Trust Agreement"). The Trust Agreement, including Addenda, is attached hereto as Exhibit B. The Stipulation and Consent Order provides that "all obligations of the Licensees stated in the Trust Agreement shall apply to any new or successor business entities which Adkins, Cannon, or SEPG establish, own or control." The Stipulation also states "Licensees acknowledge that if the Order or the Trust Agreement, incorporated herein . . ., is not fully complied with, the Insurance Commissioner may revoke the license of Neil Adkins, C. J. Cannon and/or SEPG pursuant to RCW 48.17.540(3)." Neil Adkins, C.J. Cannon, and Senior Estate Planning Group, Inc. ("SEPG") are Licensees and the named "Grantors" under the Trust Agreement.

2. In the Stipulation, the Licensees acknowledge that they committed violations of the Insurance Code, including “Twisting,” “Rebating,” and “Misrepresentation of policies.” As a direct result of the violations committed by Licensees, senior consumers were harmed and suffered a significant loss of money. The principal purpose of the Trust is to receive from Grantors a certain percentage of their income for the benefit of and for payment to the harmed senior citizens. In return for complying with the Trust Agreement, the insurance licenses of Adkins, Cannon, and SEPG were not revoked

3. Section I of the Trust Agreement states in pertinent part that “each Grantor shall transfer to the Trustee twenty percent (20%) of their annual gross commissions earned from their respective sale of insurance products for deposit into the trust estate. Additionally, each Grantor agrees to transfer to the Trustee twenty percent (20%) of each of their taxable income from all other sources and other entities of Grantors as described herein.” Section V, paragraph (g) describes “other sources and other entities” as “any and all existing, new, or successor business entities which Grantors, whether individually or jointly, establish, own or control.” The Trust Agreement required Grantors to make payments to the Trustee quarterly on April 25, July 25, October 25, and January 25 of each year.

4. Neil T. Adkins and C. John Cannon currently hold insurance licenses issued by the Washington Office of the Insurance Commissioner. Senior Estate Planning Group (“SEPG”) formerly held an insurance license issued by the Washington Office of the Insurance Commissioner, which expired January 31, 2003. Senior Life Protection, Inc. (“SLP”) formerly held an insurance license issued by the Washington Office of the Insurance Commissioner, which expired as of March 13, 2001.

5. Cannon is the president and Adkins is the vice-president and incorporator of Senior Estate Planning Group, Inc. Adkins applied for the corporate insurance license of SEPG. Adkins is the president and incorporator of Senior Life Protection, Inc. Cannon applied for SLP’s corporate insurance license. Cannon is the registered agent for SEPG and SLP. Adkins and Cannon sell and/or have sold insurance products through SEPG and SLP.

6. Senior Life Protection, Inc. received a corporate insurance license effective March 13, 1997, which expired March 13, 2001. Adkins and Cannon are affiliated with and named under Senior Life Protection, Inc.

7. Senior Estate Legal Services, Inc. is a Washington profit corporation. Neil T. Adkins is the president, incorporator, and registered agent of Senior Estate Legal Services. Through this corporation, Adkins and Cannon sell and/or have sold living trust instruments.

8. The Grantors reported no income at the end of the first quarter of 2002. The Grantors reported a gross income total of \$23,119.10 at the end of the second quarter of 2002, of which \$2,000.00 was attributed to the sale of living trusts at a price of \$400.00 each. The Grantors reported a gross income total of \$15,163.94 at the end of the third quarter, of which \$3200.00 was attributed to the sale of living trusts. The Grantors reported a gross income total of \$44,022.00 at the end of the fourth quarter, of which \$2,400.00 was attributed to the sale of living trusts. The total disclosed gross commissions were \$74,705.04, and the total disclosed income from the sale of living trusts was \$7,600. For the calendar year 2002, the Grantors reported a total gross income of \$82,305.04, with twenty per cent (\$16,461.01) due to the Trustee.

9. Based upon the investigation of the Office of the Insurance Commissioner, the Grantors received substantially more in gross commission income than they reported for 2002. Specifically, CGU Life Insurance Company of America ("CGU") remitted to Senior Life Protection, Inc. and Senior Estate Planning Group, Inc. \$195,014.87 in commissions in 2002 on 30 policies. Cannon was listed as the selling agent on twenty-six (26) of the policies. Adkins was listed as the selling agent on three (3) of the policies. Another agent named under Senior Life Protection sold one (1) policy. After chargebacks and adjustments, CGU paid SLP and SEPG \$175,588.90 for business sold in 2002. Additionally, American Investors paid Senior Life Protection, Inc., \$2,970.00 in commissions in 2002 on one policy, where Cannon was listed as the selling agent. Based upon the Trust Agreement, the Grantors were required to report the gross commission income paid to Senior Life Protection and Senior Estate Planning Group and pay twenty percent (20%) of that amount to the Trust. Taking into account chargebacks and adjustments for 2002 business, the Grantors should have paid \$35,711.78 to the trust estate.

10. The Grantors reported a gross income total of \$26,489.56 at the end of the first quarter of 2003, of which \$1,600.00 was attributed to the sale of living trust instruments. Twenty percent (20%) of that amount, \$5,297.91, was paid to the trust estate.

11. Based upon the investigation of the Office of the Insurance Commissioner, the Grantors received substantially more in gross commission income than they reported for the first quarter of 2003. Specifically, CGU Life Insurance Company of America ("CGU") remitted to Senior Life Protection, Inc. and/or its agents \$100,806.84 for insurance business written during the first quarter of 2003. This amount takes into account chargebacks and adjustments that CGU made prior to issuing the commission payments. Based upon the actual gross commission income received, the Grantors should have paid \$20,161.37 to the trust estate for the first quarter of 2003.

12. SLP is individually or jointly established, owned, or controlled by the Grantors. The Grantors under the Trust Agreement are obligated to have 20% of the gross commissions received by SLP and SEPG from the sale of insurance paid to the Trustee. The Grantors did not report the full amount of the gross commissions paid to SLP and SEPG for the calendar year 2002 and the first quarter of 2003 and did not pay 20% of the full amount to the trust estate. Adkins, Cannon and SEPG have not complied with the Stipulation and the Consent Order and the Trust Agreement.

13. Senior Life Protection engaged in the business of insurance and received commissions in 2002 and 2003, even though its insurance license had expired as of March 13, 2001.

14. In 2002, the Grantors reported that Senior Estate Legal Services, Inc received income from the sale of 19 living trust instruments for a total amount of \$7,600.00. For the first quarter of 2003, the Grantors reported selling four (4) living trust instruments for a total amount of \$1,600. Based upon the information received from the consumers who purchased these trust instruments, they were charged substantially more on each sale than the \$400.00 reported by the Grantors. The consumers who purchased the trust instruments have reported to the OIC that the fees they paid ranged from \$1,200.00 to \$2,500.00. The Grantors underreported the income from Senior Estate Legal Services, Inc. and did not transfer to the Trustee the 20% of the income generated from the sale of living trusts; therefore, the Grantors have not complied with the Stipulation and Consent Order and the Trust Agreement.

15. Pursuant to paragraph V(h) of the Trust Agreement "any failure of Grantors to fulfill any and all of their obligations under this Trust Agreement, including but not limited to any failure to provide payments to the Trustee, . . . shall be a violation of the Stipulation and Order."

Adkins and Cannon are named under the corporate insurance license of Senior Life Protection, Inc. By reason of the conduct of Adkins and Cannon in violating the Stipulation and Consent Order dated October 29, 2001, conducting the business of insurance through an unlicensed corporation, and showing themselves to be untrustworthy and a source of injury and loss to the public, Senior Life Protection, Inc. is not qualified to hold an insurance license in the State of Washington pursuant to RCW 48.17.530(2) (a). Accordingly, the insurance license of Senior Life Protection, Inc. shall not be renewed or reinstated; nor shall a new license be issued to it. Furthermore, Senior Life Protection shall cease and desist from engaging in the business of insurance.

**NOTICE CONCERNING YOUR RIGHT TO A HEARING.** Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attn Scott Jarvis, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 22<sup>nd</sup> day of May, 2003.

MIKE KREIDLER  
Insurance Commissioner

By

SCOTT JARVIS  
Deputy Commissioner

cc: Attorney General Office  
Tom Talarico, Investigator